



ENERGY ASSURANCE DAILY

Wednesday, August 15, 2007

Electricity

Lightning Knocks Out Power to 32,000 APS Customers in Arizona August 14

Lightning struck a substation causing widespread power outages as thunderstorms moved through northern part of the state. APS reported that most customers had power restored within an hour.

<http://kvoa.com/Global/story.asp?S=6929140&nav=HMO6>

Update: 4,300 Xcel Energy Customers Remain Without Power in Minnesota August 15

A series of thunderstorms that hit the Minneapolis-St. Paul metropolitan area on August 11 and 12 knocked out power to 250,000 customers. An additional 55,000 customers lost power when a second wave of storms swept through the area during the evening of August 13 and early morning on August 14. As of approximately 7:00 a.m. this morning, some 4,300 customers were still without power.

<http://www.startribune.com/462/story/1363825.html>

Four Western Entities to Cooperate to Build New Transmission Lines

APS, PacifiCorp, National Grid, and Wyoming Infrastructure Authority have agreed to cooperate to construct new high-voltage transmission lines throughout the Rocky Mountains and Desert Southwest regions.

http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20070814005940&newsLang=en

FERC Proposes Approval of Three New NERC Reliability Standards August 13

The new standards require transmission operators to use consistent methodologies to determine operating limits of the Bulk Power System for planning and operations purposes. FERC desires further comment on how consistent the proposed standards are with pre-existing arrangements.

<http://www.ferc.gov/news/media-alerts/2007/08-13-07-factsheet.pdf>

Update: FPL's 839 MW St. Lucie Nuke Unit 1 in Florida Ramps Up to 90 Percent of Capacity August 15

The unit was initially reduced to 75 percent of capacity during the weekend of August 11-12 so that workers could remove sea grass and algae from the cooling water system. Early on August 14, the unit was further reduced to 40 percent of capacity so that repairs could be performed on a leaking condensate pump.

Reuters, 08:11 August 15, 2007

Bloomberg News, 17:31 August 14, 2007

Update: TVA's 1,155 MW Browns Ferry Nuke Unit 1 in Alabama Ramps Up to Full Power August 15

The unit shut on August 11 when a problem developed in monitoring equipment. By early morning on August 15, the unit was operating at full capacity.

Reuters, 08:09 August 15, 2007

TXU's 750 MW Martin Lake Coal-fired Unit 3 in Texas Back in Service August 15

The unit was shut on August 14 to work on a boiler feed problem.

Reuters, 10:46 August 15, 2007

Bloomberg News, 11:30 August 15, 2007

TXU's 750 MW Martin Lake Coal-fired Unit 1 in Texas Shut August 14

Reuters, 10:18 August 15, 2007

Dominion's 521 MW Mt. Storm Coal-fired Unit in West Virginia Shut August 14

Reuters, 10:18 August 15, 2007

AES's 122 MW Placerita Gas-fired Unit in California Shut August 14

Bloomberg News, 19:26 August 14, 2007

Petroleum

MMS Reports Five Platforms Evacuated in the Gulf of Mexico as Tropical Storm Erin Approaches August 15

According to the latest information from the Minerals Management Service of the Department of the Interior, personnel from five offshore oil and gas platforms had been evacuated as of 11:30 a.m. CST August 15. In addition, one drilling rig has been evacuated.

<http://www.mms.gov/oc/press/2007/press0815.htm>

U.S. Gasoline Production Hits Record in July 2007 – API Report

According to the latest data available from the American Petroleum Institute (API), U.S. gasoline production reached a record level of 9.33 million b/d. In addition, API data indicated that U.S. refineries were operating at the highest level since September of 2006.

Bloomberg News, 10:00 August 15, 2007

Magellan Pipeline Predicts ULSD Outages in Midwest

According to a report from OPIS, Magellan Pipeline has notified shippers that due to upcoming planned refinery maintenance and already tight supplies that the company expects outages of ultra-low sulfur diesel to develop in the near future especially in markets such as Minnesota, Iowa, Kansas City and parts of Oklahoma that experienced tight supplies and upsets this summer.

OPIS, 11:25 August 15, 2007

Coker and Hydrotreater Work Cuts Production at Shell's Deer Park, Texas Refinery August 15

In a report to state regulators, Shell announced that it cut runs to the coker wet gas compressor and to the gasoil hydrotreater so that a transformer could be replaced.

Reuters, 09:37 August 15, 2007

Bloomberg News, 13:34 August 15, 2007

Operations Not Impacted by SRU Problem at Chevron's 260,000 b/d Refinery in El Segundo, California

Although one of three sulfur recovery units (SRU) was shut for minor repairs, a Chevron spokesman indicated that production was "about the same" at the refinery. On August 14, Chevron had not announced a restart date for the unit; other units at the refinery were operating normally.

Reuters, 14:29 August 14, 2007

Valero Reports July 28 Emission Leak at 260,000 b/d Port Arthur, Texas Refinery

According to the report filed to Texas regulators, the emission event on July 28 released nineteen different chemicals into the atmosphere. Massive amounts of butane, propane, isopentane, pentane, and hydrogen sulfate. The emission event caused 30 residents to be hospitalized.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=95831>

http://www.downstreamtoday.com/News/Articles/200708/Valero_Files_Report_on_Release_at_Port_A_5458.aspx

Bloomberg News, 17:53 August 14, 2007

Alon USA Reports Flaring at 67,000 b/d Big Spring, Texas Refinery August 15

According to the report filed to state regulators the crude vent gas compressor was shut down due to low suction levels. The stream was then routed through the Crude unit flare.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=95899>

Bloomberg News, 11:33 August 15, 2007

ConocoPhillips Reports Flaring at 247,000 b/d Sweeny, Texas Refinery August 14

According to a report filed to state regulators an issue with the regenerator level resulted in an excess opacity event.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=95825>

ConocoPhillips Reports Flaring at 139,000 b/d Los Angeles, California Refinery August 14

According to the report filed with state regulators, the facility was experiencing higher than normal sulfur content for the flared gases. The event reportedly released 500 lbs of sulfur dioxide.

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/be8cfd59218e57288257337007c9b1e?OpenDocument>

Fire Forces Evacuation of Ocean Guardian Drilling Rig in North Sea August 14

An engine room fire led to the evacuation of some personnel from the semi-submersible rig operating in the North Sea. The drilling rig does not produce oil or natural gas.

Reuters, 18:10 August 14, 2007

<http://cnews.canoe.ca/CNEWS/World/2007/08/14/4417570-ap.html>

http://www.rigzone.com/news/article.asp?a_id=49003

Natural Gas

Shell Shuts Wells and Begins Evacuation in South Texas as Tropical Storm Erin Approaches August 14

Shell began to evacuate non-essential workers off the South Texas coast. The company also shut in 5 MMcf/d of natural gas temporarily as a precaution. Shell is the only company to have evacuated workers, other companies continue to monitor the situation. (See related story in Other News).

Reuters, 22:26 August 14, 2007

Other News

Tropical Storm Erin Heads for Texas, Tropical Storm Dean Heads for Caribbean

Tropical Storm Erin is predicted to reach the south Texas Coast August 16 while Tropical Storm Dean is expected to reach the outer Caribbean islands by Friday. According to the National Hurricane Center in Miami, Tropical Storm Erin has the potential to become a category 1 hurricane by August 17 and could become a category 3 hurricane by August 19.

Bloomberg News, 13:00 August 15, 2007

Update: Hurricane Flossie Downgraded to Tropical Storm Status August 15

The storm skirted the southern tip of the Big Island with sustained winds of 50 mph.

Bloomberg News, 12:09 August 15, 2007

Energy Prices

U.S. Oil and Gas Prices			
August 15, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	73.11	72.39	73.30
NATURAL GAS Henry Hub \$/Million Btu	7.30	6.34	6.90

Source: Reuters

Energy Notes

Failure of 115 kV Transmission Line Briefly Leaves 26,000 Public Service of New Hampshire Customers Without Power August 14

<http://www.unionleader.com/article.aspx?headline=Power+outage+affects+much+of+southeast+NH&articleId=f85b6749-1a34-4435-8e6f-f44d166cbbcb>

OPEC Cites That ‘Emerging Uncertainties’ Cloud World Oil Demand Forecast

<http://www.opec.org/home/Monthly%20Oil%20Market%20Reports/2007/pdf/MR082007.pdf>

PdVSA to Set Up Oil Services Company to Lower Dependence on Foreign Contractors

<http://thestar.com.my/news/story.asp?file=/2007/8/15/apworld/20070815065732&sec=apworld>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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